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(LIMITED DISTRIBUTION)

29 June 1946NATIONAL INTELLIGENCE AUTHORITYFUNCTIONS OF THE DIRECTOR OF CENTRAL INTELLIGENCE

References: a. President's letter of 22 January 1946  
 b. N.I.A. Directive No. 1  
 c. N.I.A. Directive No. 2

Report by the Director of Central Intelligence, with the  
 Unanimous Concurrence of the Intelligence Advisory Board

1. The President's letter of 22 January 1946, directing the establishment of the National Intelligence Authority, contained, in paragraph 3 thereof, a general description of the functions envisaged for the Director of Central Intelligence. N.I.A. Directive No. 1, containing the basic policies and procedures governing the Central Intelligence Group, further clarified the functions of the Director of Central Intelligence, particularly as regards his relationship with the National Intelligence Authority and the Intelligence Advisory Board. N.I.A. Directive No. 2 contained an initial personnel authorization for the Central Intelligence Group, providing only the minimum necessary for the tasks of organizing, surveying pressing problems, and meeting initial requirements. N.I.A. Directive No. 2 also instructed the Director of Central Intelligence to submit his recommendations for augmentation of the Central Intelligence Group as soon as practicable. Pursuant to those instructions, this report proposes a redefinition of the functions of the Director of Central Intelligence which will give him the necessary authority to augment the Central Intelligence Group so that he may effectively perform his assigned missions.

2. A draft N.I.A. directive, redefining the functions of the Director of Central Intelligence, is contained in Enclosure "A". Discussion of the provisions of this draft directive is contained in Enclosure "B".

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3. The former Director of Central Intelligence, Rear Admiral Sidney W. Souers, has concurred in the recommendations contained herein. This report also has the unanimous concurrence of the Intelligence Advisory Board, which included the Director of the Federal Bureau of Investigation in this case.

4. It is recommended that the National Intelligence Authority approve the draft directive in Enclosure "A".

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ENCLOSURE "A"

NATIONAL INTELLIGENCE AUTHORITY

D R A F T

PROPOSED N.I.A. DIRECTIVE

FUNCTIONS OF THE DIRECTOR OF CENTRAL INTELLIGENCE

Pursuant to the President's letter of 22 January 1946 designating this Authority as responsible for planning, developing and coordinating all Federal foreign intelligence activities so as to ensure the most effective accomplishment of the intelligence mission related to the national security, the functions of the Director of Central Intelligence are hereby redefined as follows, subject to the provisions of said letter:

1. Paragraph 3 of the President's letter of 22 January 1946 defined the functions of the Director of Central Intelligence as follows:

"3. Subject to the existing law, and to the direction and control of the National Intelligence Authority, the Director of Central Intelligence shall:

"a. Accomplish the correlation and evaluation of intelligence relating to the national security, and the appropriate dissemination within the Government of the resulting strategic and national policy intelligence. In so doing, full use shall be made of the staff and facilities of the intelligence agencies of your departments.

"b. Plan for the coordination of such of the activities of the Intelligence agencies of your departments as relate to the national security and recommend to the National Intelligence Authority the establishment of such over-all policies and objectives as will assure the most effective accomplishment of the national intelligence mission.

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"c. Perform, for the benefit of said intelligence agencies, such services of common concern as the National Intelligence Authority determines can be more efficiently accomplished centrally.

"d. Perform such other functions and duties related to intelligence affecting the national security as the President and the National Intelligence Authority may from time to time direct."

2. In performing the functions specified in paragraph 3-a of the President's letter, the Director of Central Intelligence is hereby authorized to undertake such research and analysis as may be necessary to determine what functions in the fields of national security intelligence are not being presently performed or are not being adequately performed. Based upon these determinations, the Director of Central Intelligence may centralize such research and analysis activities as may, in his opinion and that of the appropriate member or members of the Intelligence Advisory Board, be more efficiently or effectively accomplished centrally.

3. In addition to the functions specified in paragraph 3-b of the President's letter and in accordance with paragraph 4 of N.I.A. Directive No. 1, the Director of Central Intelligence is hereby directed to act as the agent of this Authority in coordinating all Federal foreign intelligence activities related to the national security to ensure that the over-all policies and objectives established by this Authority are properly implemented and executed. X

4. Pursuant to paragraph 3-c of the President's letter, the Director of Central Intelligence is hereby directed to perform the following services of common concern which this Authority has determined can be more efficiently accomplished centrally:

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Enclosure "A"

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a. Conduct of all organized Federal espionage and counter-espionage operations outside the United States and its possessions for the collection of foreign intelligence information required for the national security.

b. Conduct of all Federal monitoring of press and propaganda broadcasts of foreign powers required for the collection of intelligence information related to the national security.

5. To the extent of available appropriations and within the limits of their capabilities, as determined by the respective Departments, the State, War and Navy Departments will make available to the Director of Central Intelligence, upon his request, the funds, personnel, facilities and other assistance required for the performance of the functions authorized herein. At the earliest practicable date, the Director of Central Intelligence will submit for approval by this Authority any supplemental budget required to perform the functions authorized herein, in addition to the appropriations which can be made available for this purpose by the State, War and Navy Departments.

6. Where the performance of functions authorized herein requires the liquidation, transfer or integration of funds, personnel or facilities for existing activities of the State, War and Navy Departments, the liquidation, transfer or integration will be accomplished at the earliest practicable date as agreed to by the Director of Central Intelligence and the official responsible for such activities so as to involve a minimum of interruption in the performance of these functions.

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Enclosure "A"

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ENCLOSURE "B"

DISCUSSION

Discussion by paragraphs of the provisions of the draft directive in Enclosure "A" follows:

Paragraph 2: Paragraph 3-a of the President's letter makes the Director of Central Intelligence responsible for the correlation, evaluation and dissemination of strategic and national policy intelligence relating to the national security, making full use of the staff and facilities of the intelligence agencies of the State, War and Navy Departments. This means that the Director of Central Intelligence is responsible for the accuracy, adequacy and timeliness of intelligence required for the national security. To discharge his vital responsibilities, the Director of Central Intelligence should not be required to rely solely upon evaluated intelligence from the various Departments. He should have the authority to undertake within the Central Intelligence Group such research and analysis as may be necessary to determine what functions in the fields of national security intelligence are not being presently or adequately performed. He should also be authorized to centralize such research and analysis activities as may, in his opinion and that of the appropriate member or members of the Intelligence Advisory Board, be more efficiently or effectively accomplished centrally.

Paragraph 3: Paragraph 3-b of the President's letter charges the Director of Central Intelligence with planning for the coordination of intelligence activities related to the national security and recommending over-all policies and objectives to the National Intelligence Authority. No provision is made in the President's letter for an agent of the National Intelligence Authority who will be responsible for

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coordinating intelligence activities related to the national security so as to ensure that policies are properly implemented and objectives are successfully accomplished. Such coordination is essential to the effective execution of the national intelligence program and can be accomplished most efficiently only when the coordinating and supervisory responsibility is centered in one appropriate person. It is therefore recommended that the Director of Central Intelligence be specifically charged with this responsibility.

Paragraph 4-a: It is considered that the conduct of all organized Federal espionage and counter-espionage operations outside the United States and its possessions for the collection of foreign intelligence information required for the national security can be more efficiently accomplished centrally by the Director of Central Intelligence for the following reasons:

A. Conduct of this type of operation by the executive departments would almost certainly embarrass these departments in the conduct of their official overt activities.

B. Such operations must be centrally controlled to ensure that they serve the national interest rather than the interests of any single department or agency, and that they do not conflict with overt intelligence activities.

C. Since such operations require maximum security they should be performed by a single closely controlled central agency.

D. The danger of competition and confusion between agents of different agencies necessitates the use of a single agency. Moreover, the interdependency and inter-relationship between geographical areas and foreign countries makes it imperative that there be one agency with world coverage. This does not, of course, preclude

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the use of specialized departmental personnel under rigid central control as mutually agreed to by the Director of Central Intelligence and authorized departmental officials.

E. The difficult and specialized administrative problems involved in such operations make a single central agency more efficient and economical.

Paragraph 4-b: It is recommended that the conduct of all Federal monitoring of press and propaganda broadcasts of foreign powers required for the collection of intelligence information related to the national security be centrally operated under the Director of Central Intelligence for the following reasons:

A. The present organization carrying on this function under War Department direction should be liquidated because its reports are circulated too generally and its personnel have not been adequately screened for security.

B. This function is of value to the State, War, Navy and other Government departments. It should therefore be centrally directed to serve the needs of all these departments.

C. The Department of State appears to have the greatest interest, but the War Department is the only agency which has included funds for this function in its 1947 budget. The Department of State, however, has stated that it is not practicable for that Department to assume responsibility for this operation. The War Department considers that under no circumstances should it engage on a continuing basis in this predominantly nonmilitary intelligence function. The same viewpoint applies to the Navy Department. It therefore appears that this function is a service of common concern which can be accomplished more efficiently centrally.

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Paragraph 5: The primary source of funds, personnel and facilities required by the Director of Central Intelligence to discharge the functions proposed in this report should be those which can be made available by the State, War and Navy Departments. Since, however, some of these functions have not been performed by any department, or have not been performed on the adequate scale now contemplated, the Director of Central Intelligence should be authorized to submit for N.I.A. approval any supplemental budget required pursuant to this directive.

Paragraph 6: This paragraph is intended to ensure that the transition of any activities from departmental to central direction of operations is accomplished with a minimum of interruption in the performance of those functions.

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Enclosure "B"